

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-11 NEA-14 ISO-00 SP-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 FEA-02 INT-08 DRC-01 EUR-25 L-03 H-03 PA-04

PRS-01 USIA-15 /201 W

----- 084013

R 300914Z MAY 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3910

INFO AMEMBASSY ISLAMABAD

AMEMBASSY BEIRUT

AMCONSUL KARACHI

AMCONSUL LAHORE

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 6/30/75

TAGS: EAID, EFIN, BEXP, PK

SUBJECT: SUI-KARACHI GAS PIPELINE PROJECT

REF: KARACHI 1178

1. PAKISTAN MISSION HEADED BY AFTAB AHMED KHAN, SECRETARY,  
ECONOMIC AFFAIRS DIVISION, MINISTRY OF FINANCE, PLANNING  
AND DEVELOPMENT, AND INCLUDING S. MAHBOOB ALAM, MANAGING  
DIRECTOR, SUI GAS TRANSMISSION CO. (SGTC), VISITED  
BANK LAST WEEK TO REQUEST ADDITIONAL LOAN FROM ADB TO  
FINANCE FOREIGN EXCHANGE COST OVERRUN ESTIMATED AT \$30  
MILLION FOR ADDITIONAL 55 MILES OF STEEL LINE PIPE NEEDED  
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FOR SUBJECT PROJECT. (SEE REFTTEL.) ORIGINAL \$29.66 MILLION

BANK LOAN WAS APPROVED MARCH 24,1974.

2. UNDERSTAND BANK MANAGEMENT HAS AGREED IN PRINCIPLE, SUBJECT TO APPROVAL OF BOARD OF DIRECTORS, TO EXTEND \$24.0 MILLION SUPPLEMENTARY LOAN, WHICH WOULD EXCLUDE BANK FINANCING OF INTERST AND OTHER CHARGES DURING CONSTRUCTION. PROPOSAL WOULD PERMIT SGTC TO USE INTERNATIONAL SHOPPING RATHER THAN INTERNATIONAL COMPETITIVE BIDDING PROCEDURE IN VIEW LACKLUSTER RESPONSE TO ORIGINAL TENDERS. IN MEANTIME, BANK IS AUTHORIZING SGTC TO PROCEED WITH NEGOTIATIONS WITH TWO FIRMS (JAPANESE AND ITALIAN) WHICH MADE ORIGINAL TENDER OFFERS. ANTICIPATE SUPPLEMENTARY LOAN PROPOSAL WILL BE SUBMITTED TO BOARD BEGINNING OF JUNE.

3. FYI: IN AGREEING TO SEEK BOARD APPROVAL OF SUPPLEMENTARY FINANCING FOR PROJECT, BANK HAS ADVISED PAKISTAN GOVT. THAT PROJECTED \$20.0 MILLION THIRD LOAN FOR INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN WOULD HAVE TO BE DEFERRED FROM 1974 TO 1975. END FYI.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, GAS PIPELINES, LOANS, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA06374  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740136-0089  
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**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** KARACHI 1178  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08-Aug-2002 by shawdg>; APPROVED <24 MAR 2003 by BoyleJA>  
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EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUI-KARACHI GAS PIPELINE PROJECT  
**TAGS:** EAID, EFIN, BEXP, PK  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005